

**8/05/77**

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# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo w/att	<del>From Brzezinski to The President (10 pp.) re: u.s. Withdrawal from the I.L.O. /enclosed in Hutcheson to Butler 8/5/77</del> <i>Opened per RAC, 2/6/13</i>	8/5/77	A
memo w/att.	From Brzezinski to The President (6 pp.) re: PRC meeting on Cuba/ enclosed in Hutcheson to Jordan and Moore 8/5/77	8/5/77	A

## FILE LOCATION

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## RESTRICTION CODES

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THE PRESIDENT'S SCHEDULE

Friday - August 5, 1977

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8:15 Dr. Zbigniew Brzezinski - Oval Office.

8:45 Mr. Frank Moore - The Oval Office.

9:15 Signing Ceremony for H.R. 6138, Youth  
(15 min.) Employment Bill. (Mr. Frank Moore).  
The Rose Garden.

9:30 Mr. Aaron Henry - The Oval Office.  
(5 min.)

10:00 Mr. Jody Powell - The Oval Office.

10:30 Meeting with His Excellency Mwalimu  
(60 min.) Julius K. Nyerere, President of the  
United Republic of Tanzania. (Dr. Zbigniew  
Brzezinski) - The Cabinet Room.

12:30 Lunch with Vice President Walter F. Mondale,  
Secretary Harold Brown, Deputy Secretary  
Charles Duncan and the Joint Chiefs of Staff.  
(Dr. Zbigniew Brzezinski) - Roosevelt Room.

2:00 Swearing In Ceremony for Dr. James R. Schlesinger  
(15 min.) as Secretary of Energy - Cabinet Room.

3:00 Depart South Grounds via Helicopter en  
route Andrews AFB and Plains, Georgia.

THE WHITE HOUSE  
WASHINGTON  
August 5, 1977

Stu Eizenstat

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

RE: WELFARE REFORM MESSAGE

THE WHITE HOUSE  
WASHINGTON

August 5, 1977  
5:00 a.m.

*Stu  
Get be  
name  
J*

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*  
SUBJECT: Welfare Reform Message

Attached is a draft of the message to Congress on welfare reform, which will be delivered Saturday morning.

We have completely redone the version submitted to us by HEW. They will not have an opportunity to review this draft until they open for business. We will meet with them first thing this morning and provide additional figures and their latest comments.

Nevertheless, I did want you to get this version to reflect your suggestions before we sit down with HEW to submit a final version to you.

I will forward a statement for your news conference on Saturday before you leave for Plains.

**Electrostatic Copy Made  
for Preservation Purpose:3**



21 June 77

TO THE CONGRESS OF THE UNITED STATES:

As I pledged during my campaign for the Presidency I am asking the Congress to abolish our existing welfare system, and replace it with a job-oriented program for those able to work and a simplified, uniform, consolidated, equitable cash assistance program for those genuinely in need who are unable to work by virtue of disability, age or family circumstance. The Job and Income Opportunity Program I am proposing will redirect the manner in which the Federal government deals with the income needs of the poor, and begin to break the welfare cycle which has engulfed generations of recipients.

The program I propose will provide:

- Jobs for those who need work.
- A work bonus for those who work but whose incomes are inadequate to support their families.
- Income support for those able to work part-time or who are unable to work due to age, physical disability or the need to care for children six years of age or younger.

This new program will accomplish the following:

- Ultimately reduce the number of people who rely solely on welfare payments by       , and lead to putting       % of the current recipients on the Aid to Families with Dependent Children Program (AFDC) in productive jobs.
- Ensure that it will always be more profitable to have a job than to remain on welfare, and be more profitable to hold a private or non-subsidized public job rather than a special federally-funded public service job.
- Combine a strong system of work requirements and work incentives with improved private sector placement services, and creation of up to 1.4 million public service jobs. Those who can work

will work, and every family with a full-time worker will have an income substantially above the poverty line.

- Provide increased benefits and more sensitive treatment to those most in need.
- Achieve a major simplification by consolidating the current AFDC, Supplemental Security Income (SSI), and Food Stamp programs, all of which have differing eligibility requirements, into a single cash assistance program, providing for the first time a uniform minimum Federal payment for the poor.
- Provide strong incentives to keep families together rather than tear them apart, by offering the dignity of useful work to family heads and by ending rules which prohibit assistance when the father of a family remains within the household.
- Reduce fraud and error and accelerate efforts to assure that deserting fathers meet their obligations to their families.
- Give significant financial relief to hard-pressed State and local governments.

#### The Need for Reform

In May, after almost four months of study, I said that the welfare system was worse than I expected. I stand by that conclusion. Each program has a high purpose and serves many needy people; but taken as a whole the system is neither rational nor fair. The welfare system is anti-work, anti-family, inequitable in its treatment of the poor and wasteful of taxpayers' dollars. The defects of the current system are clear:

- It treats people with similar needs in disparate fashion with different eligibility requirements for each program.
- It creates exaggerated difference in benefits based on state of residence. Current AFDC benefits for a family of four with no income vary from \$720 per year in Mississippi to \$5,954 in Hawaii.
- It provides incentives for family breakup. In most cases two-parent families are not eligible for cash assistance and, therefore, a working father often can increase his family's income by leaving home. In Michigan a two-parent family with the father working at the minimum wage has a total income, including tax credits and food stamps, of \$5,678. But if the father leaves, the family will be eligible for benefits totalling \$7,076.
- It discourages work, sometimes cutting off benefits completely if a worker goes from part-time to full-time employment, and permitting a person who works to keep only a small percentage of the money earned.
- Efforts to find jobs for current recipients have floundered.
- The complexity of current programs leads to waste, fraud, red tape, and errors. HEW has recently discovered even government workers unlawfully receiving benefits, and numbers of people receive benefits in more than one jurisdiction at the same time.

The solutions to these problems are not easy -- and no solution can be perfect; but it is time to begin. The welfare system is too hopeless to be cured by minor modifications. We must make a complete and clean break with the past



People in poverty want to work, and most of them do. This program is intended to give them the opportunity for self-support by providing jobs for those who need them, and by increasing the rewards from working for those who earn low wages.

#### Program Summary

The Employment and Income Opportunity Program has the following major elements:

- Strengthened services through the employment and training system for placement in the private sector jobs.
- Creation of up to 1.4 million public service and training positions for family heads, at or slightly above the minimum wage through state and local government and non-profit sponsors.
- An expansion of the Earned Income Tax Credit to provide an income supplement of up to a maximum \$654 for a family of four through the tax system, by a 10% credit for earnings up to \$4,000, a 5% credit for earnings from \$4,000 to the entry point of the positive tax system, and a declining 10% credit thereafter until phase-out. A major share of the benefit will accrue to hard-pressed workers with modest incomes struggling successfully to avoid welfare.
- Strong work requirements applying to single persons, childless couples and family heads, with work requirements of a more flexible nature for single-parent family heads with children aged 6 to 14. Single-parent family heads with pre-school aged children are not required to work.

- A Work Bonus for two-parent families, single-parent families with older children, singles and childless couples. The Federal benefit for a family of four would be a maximum of \$2,300 and, after \$3,800 of earnings, would be reduced fifty cents for each dollar of earnings.
- Income Support for single-parent families with younger children and aged, blind or disabled persons. The Federal benefit would be a base of \$4,200 for a family of four and would be reduced fifty cents for each dollar of earnings.
- New eligibility requirements for cash assistance which insure that benefits go to those most in need.
- Fiscal relief to States and localities of \$2 billion in the first year, growing in subsequent years.
- Simple rules for state supplements to the basic program, in which the Federal government will bear a share of the cost.

#### Costs

In my May 2, 1977 statement I established as a goal that the new reformed system involve no higher initial cost than the present system. It was my belief that fundamental reform was possible within the confines of current expenditures if the system were made more rational and efficient. That belief has been borne out in our planning. Thereafter, Secretary Califano outlined a tentative no cost plan which embodied the major reform we have been seeking:

- Consolidation of programs.
- Incentives to work.
- Provision of jobs.



- Establishment of a national minimum payment.
- Streamlined administration.
- Incentives to keep families together.
- Some fiscal relief for State and local governments.

Subsequently, we have consulted with State and local officials and others who are knowledgeable in this area. As a result of those consultations we have gone beyond the no cost plan to one with modest additional cost in order to provide more jobs, particularly for current AFDC mothers, additional work incentives, broader coverage for needy families and greater fiscal relief for states and localities.

The Employment and Income Opportunity Program will replace \$26.3 billion in current programs which provide income assistance to low-income people. In addition, the program will produce savings in other programs amounting to \$1.6 billion. The total amount available from replaced programs and savings is \$27.9 billion.

#### CURRENT FEDERAL EXPENDITURES AND SAVINGS

<u>Expenditures</u>	
AFDC	\$6.4 billion
SSI	\$5.7 billion
Food Stamps	\$5.0 billion
Earned Income Tax Credit	\$1.3 billion
Stimulus Portion of CETA Public Jobs	\$5.5 billion
WIN Program	\$0.4 billion
Extended Unemployment Insurance (VI) Benefits (26-39 weeks)	\$0.7 billion
Rebates of per capita share of Wellhead Tax Revenues to Low- Income People if Passed by Congress <sup>1</sup>	<u>\$1.3 billion</u>
Sub-Total	\$26.3 billion

<sup>1</sup> The National Energy plan calls for rebate of the wellhead tax revenues to taxpayers through the income tax system and to "the poor who do not pay taxes" in effect through income maintenance programs.



Savings

Decreased UI Expenditures	\$0.4 billion
HEW Program to Reduce Fraud and Abuse	\$0.4 billion
Decreased in Housing Subsidies from Increased Income <sup>2</sup>	\$0.5 billion
Increases in Social Security Contributions <sup>3</sup>	<u>\$0.3 billion</u>
Sub-total	\$1.6 billion
TOTAL	\$27.9 billion

The new Employment and Income Opportunity Program will have a total cost of \$30.9 billion. The additional cost of the program above existing costs is \$3.0 billion in spending. In addition, \$3.3 billion of tax relief is given to working low and moderate income taxpayers through an expanded income tax credit.

## COST OF NEW PROGRAM

Work Bonus and Income Support	\$20.4 billion
Earned Income Tax Credit <sup>4</sup>	\$ 1.5 billion
Employment, Training and Social Services	<u>\$ 9.0 billion</u>
TOTAL	\$30.9 billion

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<sup>2</sup> This does not decrease any amount available for subsidized housing nor does it reduce the amount paid in cash assistance to residents of subsidized housing. It is merely an estimate of the savings the Department of Housing and Urban Development will receive through decreased subsidies when recipients have higher incomes from our new program.

<sup>3</sup> This does not increase anyone's Social Security Tax. It merely recognizes that the millions of people taken off of dependence on welfare and given a job will become contributors to the Social Security System.

<sup>4</sup> This is the cost of the portion of the expanded EITC which will be received by those who do not pay income taxes. Income taxpayers with a family of four and with earned income up to \$15,000 per year will receive benefits totalling \$3.3 billion. This cost is a feature of tax reform.



The additional cost above current expenditures has been used to make important improvements in our original plan:

- Increased fiscal relief has been provided for states and localities, particularly for those which have borne the greatest financial burdens.
- Incentives which strengthen family ties have been improved by adopting a broader definition of eligible applicants to permit more generous payment than in the earlier plan to older persons and young mothers with children who live in extended families.
- Work incentives for low wage workers have been increased by expanding the Earned Income Tax Credit for those in private and non-subsidized public work to cover and supplement approximately twice the income covered by the existing EITC.
- A deduction for child care and additional funding for child care facilities have been added to permit and encourage single parents to take work which will lift them out of poverty.
- Up to 300,000 additional part-time jobs have been added for single parent families with school age children (if adequate day care is available, such parents will be expected to accept full-time jobs).

With these improvements the Employment and Income Opportunity Program will help turn low income Americans away from welfare dependence with a system that is fair, and fundamentally based on work for those who can and should work.



PROGRAM DETAILEmployment Services and Job Search

A central element of my proposal is a new effort to match low-income persons with available work in the private and public sector. It will be the responsibility of State and local officials, as prime sponsors under the Comprehensive Employment and Training Act, to assure an unbroken sequence of employment and training services, including job search, training, and placement. State employment service agencies and community-based organizations will play major roles in this effort.

Jobs for Families

A major component of my program is a national effort to secure jobs for the primary wage earners in low income families. The majority of poor families -- including many who are on welfare for brief periods of time -- depend upon earnings from work for most of their income. People want to support themselves and we should help them do so. I propose that the Federal government assist workers from low income families to find regular employment in the private and public sectors. When such employment cannot be found I propose to provide up to 1.4 million public service jobs (including part-time jobs and training positions) paying at the minimum wage, or slightly above where states supplement the basic Federal program.

This program represents a commitment by my Administration to ensure that families will have both the skills and the opportunity for self-support.

This new Public Service Employment Program is carefully designed to avoid disruptive effects to the regular economy:

- Applicants will be required to engage in an intensive 5-week search for regular employment



before becoming eligible for a public service job. Those working in public service employment will be required to engage in a period of intensive job search every 12 months.

- In order to encourage participants to seek employment in the regular economy, ~~the~~ wage rate will be kept at, or where states supplement, slightly above the minimum wage.
- Every effort will be made to emphasize job activities which lead to the acquisition of useful skills by participants, to help them obtain employment in the regular economy. Training activities will be a regular component of most job placements.

The development of this job program is clearly a substantial undertaking requiring close cooperation of all levels of government. I am confident it will succeed. Thousands of unmet needs for public goods and services exist in our country. Through an imaginative program of job creation we can insure that the goals of human development and community development are approached simultaneously. Public service jobs will be created in areas such as public safety, recreational facilities and programs, handicapped facilities, environmental monitoring, child care, waste treatment and recycling, clean-up and pest and insect control, home services for the elderly and ill, weatherization of homes and buildings and other energy-saving activities, teachers' aides and other paraprofessionals in schools, school facilities improvements, and cultural arts activities.

#### Earned Income Tax Credit

The current Earned Income Tax Credit (EITC) is an excellent mechanism to provide tax relief to the working poor. I propose to expand this concept to provide benefits

to more families and provide relief to low and modest income working people hard hit by payroll increases, improve work incentives, and integrate the Employment and Income Opportunity Program with the income tax system. The expanded EITC will have the following features:

- A 10% credit on earnings up to \$4,000 per year as under current law.
- A 5% credit on earnings between \$4,000 and approximately \$9,000 for a family of four (the point at which the family will become liable for federal income taxes).
- A phase-out of the credit beyond roughly \$9,000 of earnings at ten percent. The credit will provide benefits to a family of four up to \$15,600 of income.
- The credit will be paid by the Treasury Department through revision in the tax withholding amounts from a worker's paycheck, and the maximum credit would be approximately \$650.

#### Work Bonus and Income Support

I propose to scrap and completely overhaul the current public assistance programs, combining them into a simplified, uniform, integrated system of cash assistance. AFDC, SSI and Food Stamps will be abolished. In their place will be a new program providing: (1) a Work Bonus for two-parent families, single people, childless couples and single parents with no child under 14, all of whom are expected to work full-time and required to accept available work; and (2) Income Support for those who are aged, blind or disabled, and for single parents of children under age 14. Single parents with children aged 6 to 14 will be required to accept part-time work which does not interfere with caring for the children, [and will be <sup>expected</sup> required to accept full-time work where appropriate day care is available].



These two levels of assistance are coordinated parts of a unified system which maintains incentives to work and simplifies administration.

- For those qualifying for income support the basic benefit for a family of four with no other income will be \$4,200 in 1978 dollars. Benefits will be reduced fifty cents for each dollar of earnings, phasing out completely at \$8,400 of earnings. Added benefits would accrue to those in regular private or public employment through the Earned Income Tax Credit.
- An aged, blind, or disabled individual would receive a Federal benefit of \$2,550 and a couple would receive \$3,880 -- more than they are now receiving.
- For those persons required to work who receive a Work Bonus, the basic benefit for a family of four with no other income will be \$2,300. To encourage continued work, benefits will not be reduced at all for the first \$3,800 of earnings and will thereafter be reduced by fifty cents for each dollar earned up to \$8,400. Again, the Earned Income Tax Credit will provide added benefits to persons in regular private or public employment.
- We are committed to assure that the real value of the benefits provided does not decline over time. And as resources permit, we will submit legislation to increase the real value of Federal benefits. To preserve flexibility in the initial transition period, however, we do not at this time propose automatic indexing of benefits or automatic increases in their real value.



- Single parent family heads will be able to deduct up to 20% of earned income, up to an amount of \$150 per month to pay for child care expenses required for the parent to go to work.
- No limits are placed on the right of states to supplement these basic benefits. However, only if states adopt supplements which complement the structure and incentives of the Federal program will the Federal government share in the cost.

Eligibility rules for the Work Bonus and Income Support will be tightened to insure that the assistance goes to those who are most in need.

- To provide greater certainty and simplicity, benefits will be calculated based on a retrospective accounting period, rather than on the prospective accounting period used in existing programs. The income of the applicant over the previous six-month period will be examined to determine the amount of benefits. This targets cash assistance to those families most in need and avoids the problems of over-payments inherent in current prospective accounting methods based on estimates of future income.
- The value of assets will be reviewed to insure that those with substantial bank accounts or other resources do not receive benefits. The value of certain assets will be imputed as income to the family in determining the amount of benefits.
- Eligibility has been tightened in cases where related individuals share the same household, while preserving the ability of the aged, disabled and young mothers to file for benefits separately.

State Role and Fiscal Relief for States and Local Communities

Public assistance has been a shared Federal and State responsibility for forty years. The program I propose will significantly increase Federal participation but maintain an important role for the states.

- Every State will be assured that it will save at least ten percent of its current welfare expenses in the first year of the program, with substantially increased fiscal relief thereafter.
- Every State is required to pay ten percent of the basic Federal benefit provided to its residents except where it will exceed 90 percent of its prior welfare expenditures.
- Every State is free to supplement the basic benefits, and is eligible for Federal matching payments for supplements structured to complement and maintain the incentives of the Federal program. The Federal government will pay 75% of the first \$500 supplement and 25% of any additional supplement up to the poverty line. These State supplements will be required to follow Federal eligibility criteria to help achieve nation-wide uniformity.
- There will be a three-year period during which states will be required to maintain a share of their current effort in order to ease the transition of those now receiving benefits. These resources will be directed toward payment of the State 10% share of the basic benefit, supplements complementary to the basic program, and grand-fathering of existing SSI and AFDC beneficiaries. The Federal government will guarantee a State that its total cost for these expenditures will not exceed 90% of current welfare



costs. States can retain any amounts under the 90% requirement not actually needed for the mandated expenditures. In the second year of the program states will be required to maintain only 60% of current expenditures, in the third year, only 30% and none by the fourth year.

- States will have the option to assist in the administration of the program. They will be able to operate the crucial intake function serving applicants, making possible effective coordination with social service programs. The Federal government will operate the data processing system, calculate benefits, and issue payments.
- The Federal government will provide a \$600 million block grant to the states to provide for emergency needs. These grants will assist the states in responding to sudden and drastic changes in family circumstances.

In the first year of this program, states and localities would receive \$2.1 billion in fiscal relief, while at the same time ensuring that no current SSI beneficiary receives a reduced benefit and that over 90 percent of current AFDC beneficiaries receive similar protection.

In subsequent years as current recipients leave the roles and as the maintenance of State effort requirement declines from 90 percent to zero within 3 years, the opportunities for increased fiscal relief will grow.

Under our program for fiscal relief, states will be required to pass through their fiscal relief to municipal and county governments in full proportion to their contributions. Thus, for example, in New York State, where New York City pays % of the State's share, New York City would receive % of the State's fiscal relief or \$ .



### Reduction of Fraud and Abuse

The few providers and recipients guilty of fraud and abuse in our welfare programs, not only rob the taxpayers but cheat the vast majority of honest recipients. One of the most significant benefits of consolidation of existing cash assistance programs is the opportunity to apply sophisticated management techniques to improve their operation. The use of a central computer facility will permit more efficient processing of claims, reduce the incidence of error in calculating benefits, and facilitate the detection of fraud. No longer will people easily claim benefits in more than one jurisdiction.

We will strongly enforce current programs directed at assisting local officials in obtaining child support payments from run-away parents, as determined by judicial proceedings.

We will ensure that the new Inspector General at the Department of Health, Education, and Welfare will vigorously root out abuses and fraud in our social programs.

We will work for passage of current legislation designed to crack down on fraud and abuse in our Medicaid and Medicare Program. The administration of these programs will be a major challenge for federal and state officials. It provides a valuable opportunity to demonstrate that government can be made to work, particularly in its operation of programs which serve those in our society most in need.

### Implementation

Because of the complexity of integrating fifty ~~complex~~<sup>different</sup> and disparate state welfare systems into an integrated, more unified national system, we estimate that this program will be effective in Fiscal Year 1981. Moreover, we recognize that the National Health Insurance plan which will be submitted next year must contain fundamental reform and rationalization of the Medicaid program, carefully coordinated with the structure of this proposal. However, we are anxious to achieve

the swiftest implementation possible and will work with the Congress and State and local governments to accelerate this timetable if at all possible.

Given the present complex system, welfare <sup>are</sup>~~form~~ reform inevitably involves difficult choices. Simplicity and uniformity and improved benefits for the great majority inevitably require reduction of special benefits for some who receive favored treatment now. Providing the dignity of a job to those who at present are denied work opportunities will require all the creativity and ingenuity that private business and government at all levels can bring to bear. But the effort will be worthwhile both for the individual and for the country. The Employment and Income Security Program stresses the fundamental American commitment to work, strengthens the family, respects the less advantaged in our society, and makes a far more efficient and effective use of our hard-earned tax dollars.

I hope the Congress can begin to hold hearings on my proposals before final adjournment this year, and pass this program <sup>early</sup> next year.

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for Preservation Purposes**



THE WHITE HOUSE  
WASHINGTON

Date: August 5, 1977

MEMORANDUM

FOR ACTION:

LANDON BUTLER

FOR INFORMATION:

Stu Eizenstat  
Jack Watson

*comments comm*

*Being held  
called up NSC - DO NOT SUBMIT -*

FROM: Rick Hutcheson, Staff Secretary

*call if any questions  
to President  
at least for a couple of  
days*

SUBJECT:

~~SECRET~~ MEMO from Z. Brzezinski dated 8/5/77  
re: U.S. Withdrawal from the ILO

*8/9/77*

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 10 A.M.

DAY: MONDAY

DATE: AUGUST 8

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

*Safe  
original  
pulled by  
NSC 8/6.*

DECLASSIFIED  
Per, Rac Project  
ESDN: NLC-N21-12C-8-32-7  
BY 125 NARA DATE 2/5/13

*Held per LBT  
per Tamm  
8-10*

*8/15 - continued  
to hold per  
Landon Butler*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.



~~SECRET~~

THE WHITE HOUSE

WASHINGTON

SECRET

INFORMATION

August 5, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI *23.*

SUBJECT: U.S. Withdrawal from the ILO

During Chancellor Schmidt's visit you discussed the possible effects of a U.S. withdrawal from the ILO on Western European trade unions. You requested a memorandum on this subject from the State Department -- it is at Tab A.

State's memorandum concludes that in the short run ILO politics will have little, if any, effect on the relative positions of democratic and Communist labor unions. However, in my opinion, the memorandum does not accurately portray the intensity of Western European concern over possible U.S. withdrawal. Last week a U.S. delegation met with the EC-9 in Geneva on this issue. They heard vigorous and unanimous arguments from all nine governments urging that the U.S. not withdraw. Among the key concerns was that U.S. withdrawal would lead to Communist domination of the ILO, erosion of the ILO's tripartite structure, and a change in the historic relationship of worker-employer autonomy. In short, their argument was that we would be handing over this uniquely Western institution to the Communists.

Another important point is that the effect of withdrawal on European labor unions is really not a key question in this decision: it was not brought up as an argument by any of the EC-9 for example. Because the ILO tries to define principles and to create models for labor unions does not mean that it has -- or tries to have -- influence over individual unions. The ILO was created to promote the social and economic well-being of the world's peoples -- decent living standards, satisfactory conditions of work and pay, adequate employment opportunities. And, by the standards of international institutions, it has been extraordinarily successful at doing so. It has a unique and widely recognized record among multilateral institutions for the promotion of human rights, and thus the U.S. decision will also be judged in the context of your human rights policy. Even a casual glance at ILO programs -- technical cooperation, labor relations, social security, labor research, vocational rehabilitation, management training, etc. -- reveals that in its day-to-day work (though not in its Conference rhetoric) the ILO operates by American models and with American ideals.

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BY: KS NARA DATE: 2/5/13

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Though we were defeated in the recent Conference session, the trends at the ILO would appear to be in our favor:

- (1) The past two years of effort to reverse the ILO position resulted in nearly unprecedented unanimity and cooperative action among the industrialized market economy nations.
- (2) As a result of your human rights initiative, we are standing now on the moral high ground, which gives us a new leverage that has not yet been fully realized.
- (3) Partly as a result of our new posture towards Southern Africa, and partly as a result of African disappointment over the small amounts of Arab aid, the solidarity of the Afro-Arab bloc is waning.

Finally, ultimately, the U.S. is a much more potent force in multi-lateral institutions than is the USSR. At Tab B I have attached the NYT editorial we discussed a few weeks ago. It makes the point quite well. Looked at from this viewpoint, the Soviets have much more to gain from our withdrawal than we do. At Tab C I have attached two recent cables from Ambassador Vanden Heuvel. The first records the views of the Jamaican government on the possibility of our withdrawal from the ILO and the second records the views of the Yugoslav government.

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~~SECRET~~



THE SECRETARY OF STATE  
WASHINGTON

4916

July 26, 1977

~~SECRET~~EXDIS

MEMORANDUM FOR: THE PRESIDENT

From: Cyrus Vance *CV*Subject: The Effect of Possible U.S.  
Withdrawal from the ILO on  
Relative Positions of Communist  
and Democratic Labor Unions in  
Western Europe

The effect of a United States withdrawal from the ILO on the relative standings of competing labor movements in Western Europe can be considered from different perspectives.

In the short run, the success of competing trade union organizations in winning the support of workers in countries such as France, Italy, Spain and Portugal is determined largely by the interplay of domestic political and economic forces. In these countries, ILO politics impinge very little on the local scene. For a variety of reasons set out briefly in country-by-country analyses below, we do not think that developments in the ILO will have any discernible effect on the balance between democratic and Communist labor unions anywhere in Western Europe.

In his discussion with you, however, Chancellor Schmidt may have been concerned about longer-run implications of United States departure from the

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GDS



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- 2 -

ILO. He may be worried that our withdrawal would signal a shift toward a harder line on ideological issues. On the other hand, he may also be concerned that our withdrawal could be construed as an abdication by the United States of its traditional leadership role in a forum of competition between democratic and Communist forces. While it is difficult to assess the validity of these concerns, it is true that West Europeans are generally united in desiring continued United States participation in the ILO.

There follows a country-by-country analysis of current domestic labor politics:

#### France

The Communists dominate the Confederation General du Travail, which is the largest French labor organization embracing about half the organized workers. The Communist Party's recent determination to tighten its control over the CGT risks alienating those within the rank-and-file who are more interested in bread-and-butter issues than Communist doctrine. The outcome of this internal problem within the CGT and of the competition between the CGT and the non-Communist trade union confederations would not be affected by a United States withdrawal from the ILO.

#### Italy

The Communists control the largest of Italy's three labor confederations. Since their adoption of a policy of tacit support for the Andreotti Government, the principal labor issue has been the government's effort to restrain wage increases and reform the wage system against widespread union opposition. United States withdrawal from the ILO will not affect the domestic situation.

~~SECRET~~

SECRET

-3-

### Spain

The Communist Party seeks domination of Spanish labor through control of the large labor organization, the Worker Commissions. Its main rival is a union controlled by the Socialist Party; it has gained strength rapidly since the recent elections. The Socialists and Communists have cited ILO principles in support of their attempts to win full union freedoms in Spain. Here too, domestic considerations will determine the strength of the several labor movements.

### Portugal

Through domination of the General Confederation of Portuguese Workers-Intersindical the Communists control nearly 80 percent of Portugal's organized unions. All attempts thus far by the democratic labor forces to wrest control from the Communists have had limited success. The outcome of this struggle will not be affected by a United States withdrawal from the ILO.

SECRET



7/10

# What's Troubling Mr. Brezhnev

Have United States-Soviet relations gone sour? President Brezhnev of the Soviet Union thinks so, as his publicized lecture to the American Ambassador, Malcolm Toon, made clear last week. Mr. Brezhnev's news agency said he "noted a number of aspects in . . . United States policy which do not accord with the aim of a constructive development of relations," which should "be based on the principles of equality, mutual benefit and noninterference into each other's internal affairs."

We appreciate Mr. Brezhnev's predicament, if not Tass's cumbersome language. In the good old Nixon-Kissinger days Moscow achieved its long-standing ambition of being treated by Washington as a genuine equal. The SALT negotiations codified "equivalency" in each country's ability to obliterate the other. Grandiose economic transactions were planned; some were even consummated (here was "mutual benefit"). And Secretary Kissinger fought bravely albeit unsuccessfully against senators who wanted to tie trade and credit to the pace of Jewish emigration (here was "noninterference," in aspiration if not in practice).

Now, from Moscow's vantage, everything must seem unstuck. The Carter Administration came forward in March with a pair of SALT proposals that seemed divorced from past negotiations; the one the Administration favored would have made Moscow scrap a number of favorite missiles. Commerce between the two countries has scarcely been mentioned by the new crowd in Washington. And far from resisting the Congressional hordes, the new Administration seems to have gone out of its way to dredge up "human rights" as a device for taking shots at the whole Soviet system. So much for equality, mutual benefit, and noninterference.

Our assessment differs. What has changed is not Washington's willingness to treat Moscow with the respect due an equal superpower, but, rather, a whole conception of statecraft and of the workings of the international system. Soviet leaders, suspicious of other governments and fearful that multilateral arenas would place them at a disadvantage, have always sought bilateral channels for serious international negotiation. But energy, resources, poverty, and the search for peace and justice in the Middle East and southern Africa are issues that do not fit a bilateral mold. In any case, the new Administration in Washington is much more disposed than its predecessors to deal multilaterally with both old and new issues. The predilections of the Soviet leaders, however, have not changed, and with good reason: In multilateral relations, the Soviet Union is often irrelevant,

not a target of disrespect but a victim of diplomatic benign neglect.

That is especially the case in economic matters. Moscow is not present at the current round of global-trade negotiations. It takes no part in the reform of the international monetary system. It is mute in the "North-South dialogue." The Soviet bureaucracy is simply not prepared to risk loosening its total control over Soviet economic life and to accept the uncertainties of full participation in the multilateral world economy.

Bilateral channels are becoming less useful on security issues as well. Even SALT, the forum that best symbolized the bilateral superpower relationship in the Nixon-Ford era, may lose much of its utility as new technologies, in cruise missiles and other types of precision-guided weapons, blur distinctions between nuclear and non-nuclear or strategic and tactical weapons, as nuclear weapons spread. The Russians have already found that a multilateral channel—the so-called "London suppliers club"—is necessary to deal with nuclear proliferation. In a few years, such channels may be necessary for other strategic issues as well.

And human rights are very much a multilateral matter. What seems to the Kremlin an anti-Soviet campaign in fact expresses a view of international life that strikes at the heart of the traditional concept of national sovereignty. President Carter has said—to substantial international agreement—that the time is past when a government's treatment of its citizens is not a proper concern of outsiders.

These trends will surely continue. The 1980's could be uncomfortable years for Mr. Brezhnev's successors if they persist on present paths: They will be odd men out in an international system that may offer large benefits to those ready to risk interdependence and greater openness.

The Carter Administration, for its part, certainly should make clear that its human rights concerns are worldwide, and not confined to the Soviet Union. It must deal bilaterally with Moscow wherever the gain outweighs the disadvantage—the maintenance of the strategic balance being the most significant. It should make clear that it regards the United States-Soviet relationship as extremely important, even if only one of many vital international involvements. But it should try to induce Moscow to move further into the multilateral currents that the Russians until now have found so threatening. A less fearful and less bureaucrat-ridden Soviet society may ultimately result.

## Casting Off a Remnant of Racism



IMMED /ROUTINE  
RUFHGV #6585 2151855  
R 031851Z AUG 77  
USMISSION GENEVA

SECSTATE WASHDC IMMEDIATE 9978

PO AMEMBASSY KINGSTON IMMEDIATE 392  
MISSION NEW YORK 5611  
DOC WASHDC  
ITE HOUSE WASHDC  
S WHITE HOUSE WASHDC

C O N F I D E N T I A L

MITED OFFICIAL USE GENEVA 6542  
PT PASS: SECRETARY VANCE AND LABOR FOR SECRETARY MARSHALL AND  
HOROWITZ  
US FOR AMBASSADOR YOUNG; COMMERCE FOR SECRETARY KREPS; NAS FOR  
ZEZINSKI; WHITE HOUSE FOR JORDAN, WATSON, EIZENSTAT; IO FOR  
ST SECY MAYNES, DEPUTY ASST SECY DALLEY AND ALLISON PALMER;  
FOR HANSELL; S/IL FOR GOOD  
O 115521 NA

GS: ILO  
BJ: JAMAICAN AMBASSADOR'S VIEWS ON ILO  
OTE:

021811Z AUG 77  
USMISSION GENEVA  
SECSTATE WASHDC IMMEDIATE 9931

C O N F I D E N T I A L

MITED OFFICIAL USE GENEVA 6542  
O. 115521 N/A  
GS: ILO  
BJ: JAMAICAN AMBASSADOR'S VIEWS ON ILO

DURING A MEETING AUGUST 2, AMB HERBERT WALKER OF JAMAICA  
LO ME AND DCM SORENSON THAT QUOTE IT WOULD BE A DISASTER  
THE UNITED STATES LEAVES THE ILO UNQUOTE. WALKER EXPLAINED  
IAT (1) THE ILO WAS OF MAJOR IMPORTANCE TO JAMAICA, (2)  
DEMOCRATIC INSTITUTIONS IN JAMAICA ARE MORE DIFFICULT TO  
ATURE THAN IN THE OLDER, MORE ESTABLISHED DEMOCRACIES  
ID THE TRIPARTITE CHARACTER OF THE ILO IS, THEREFORE, SIGNI-  
CANT IN AFFECTING THIS PROCESS, AND (3) THE ILO IS ESPECIALLY

\*\*\*\*\*WHSR COMMENT\*\*\*\*\*

JORDAN, WATSON, EIZENSTAT, NR, Hy, IND

IN:035896  
RECALLED  
PAGE 01

TOR:215/19:52Z DTG:031851Z AUG 77

\*\*\*\*\*C O N F I D E N T I A L\*\*\*\*\*S COPY

DECLASSIFIED

Per, Rac Project

ESDN: NLC-126-8-32-1-7

BY KS NARA DATE 2/6/13



PORTANT IN THE ASSISTANCE THAT IT GIVES TO THE JAMAICAN  
ADE UNION MOVEMENT WHICH PLAYS A POWERFUL ROLE IN THE  
LITICAL STRUCTURE OF THE COUNTRY.

AMB WALKER NOTED THAT JAMAICA HAD VOTED TO TREAT THE  
TICLE 17 ISSUE IN THE STANDING ORDERS COMMITTEE. HE SAID  
AT THIS WAS THE DELIBERATE DECISION OF JAMAICA'S TOP  
VERNMENT AND LABOR LEADERS, EVEN THOUGH IT RAN COUNTER TO  
AT MOST OF THE G-77 COUNTRIES WANTED TO DO AND WHAT HE,  
HSELF, WOULD HAVE ADVISED THE DELEGATION TO DO ON THE  
SIS OF POLITICAL CONSIDERATIONS. THE POINT HE WAS MAKING  
S THAT SUPPORT FOR THE PRINCIPLES FOR WHICH THE UNITED  
ATES STOOD IN THE ILO RUN VERY DEEPLY IN HIS COUNTRY. HE  
ID, HOWEVER, THAT AT THE SAME TIME THERE WERE DEEP ROOTED  
ELINGS AMONG ALL OF THE G-77 COUNTRIES THAT THIS ORGANIZA-  
ON, WHOSE CHARTER DATES BACK TO 1919, SHOULD BE MODER-  
ZED. HIS IMPRESSION WAS THAT A COMPROMISE AGREEMENT N  
RUCTURE AND ARTICLE 17 WAS BEING WORKED OUT TOWARD THE  
D OF THE CONFERENCE AND HE SAID HE REGRETTED THAT IT HAD  
T BEEN POSSIBLE FOR THE IMEC COUNTRIES TO TAKE THE  
RUCTURE ISSUE INTO ACCOUNT, ALONG WITH AN AGREEMENT  
PRINCIPLE ON ARTICLE 17.

AMB WALKER CONCLUDED BY SAYING THAT PRESIDENT CARTER'S  
MINISTRATION HAS SUCCEEDED IN BRINGING ABOUT A NEW ATMOS-  
ERE IN NORTH/SOUTH RELATIONS, THAT THERE IS NOW HOPE THAT  
OGRESS CAN BE MADE DESPITE CYNICS IN THE THIRD WORLD WHO  
RN THAT THE RHETORIC HAS CHANGED BUT NOT THE SUBSTANCE,  
D THAT EVERYONE IS LOOKING TO THE UNITED STATES FOR THE  
CESSARY LEADERSHIP. HE FEARED THIS FRAGILE ATMOSPHERE OF  
PE AND EXPECTATION WOULD BE DESTROYED IF THE UNITED  
ATES WERE NOW TO WITHDRAW FROM THE ILO AND THAT THE CYNICS  
ULD USE SUCH A DECISION TO UNDERMINE GROWING CONFIDENCE IN  
OUTREACH TO THE LDGS. VANDEN HEUVEL  
QUOTE  
VANDEN HEUVEL

RECALLED  
N1235896 PAGE 02 OF 02 TOR:215/19:52Z DTG:031851Z AUG 77

RIORITY

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031854Z AUG 77  
USMISSION GENEVA

SECSTATE WASHDC PRIORITY 9977

FO AMEMBASSY BELGRADE PRIORITY 1361

MISSION USUN NY 5612  
DDC WASHDC  
ITE HOUSE WASHDC  
S WHITE HOUSE WASHDC

C O N F I D E N T I A L

MITED OFFICIAL USE GENEVA 6586  
PT PASS: SECRETARY VANCE AND LABOR FOR SECRETARY MARSHALL  
D HOROWITZ;  
UN FOR AMBASSADOR YOUNG; COMMERCE FOR SECRETARY KREPS;  
S FOR BRZEZINSKI; WHITE HOUSE FOR JORDAN, WATSON, EIZEN-  
STAT; IO FOR ASST SECY MAYNES, DEPUTY ASST SECY DALLEY AND  
LISON PALMER; L FOR HANSELL; S/IL FOR GOOD  
D. 116521 N/A  
GS: ILO  
BJECT: YUGOSLAVIAN AMBASSADOR'S VIEWS ON ILO

YUGOSLAV AMB LALOVIC TOLD ME TUESDAY THAT THE YUGOSLAVIAN  
VERNMENT WOULD BE GREATLY CONCERNED IF THE US WERE TO WITH-  
AW FROM THE ILO. MOREOVER, AS GENEVA CHAIRMAN OF THE G-77  
R THIS QUARTER, LALOVIC SAID THAT THE VAST MAJORITY OF THE  
VELOPING WORLD WOULD SHARE THIS VIEW. WERE THE US TO WITH-  
AW FROM THE ILO, THE ORGANIZATION WOULD LOSE MUCH OF ITS  
ANING FOR THE DEVELOPING WORLD -- A POINT, INCIDENTALLY,  
MOST IDENTICAL TO WHAT EGYPTIAN AMB EL-SHAFET TOLD ME TWO  
EX AGO.

AMB LALOVIC WENT ON TO NOTE THAT MOST G-77 COUNTRIES WOULD  
REE WITH THE US WITH RESPECT TO THE MAJOR PRINCIPLES FOR  
ICH HE FOUGHT SO HARD. INDEED, HIS DEPUTY CHARACTERIZED  
PORT FOR DUE- PROCESS AS THE ONLY LOGICAL POSITION THAT  
NATION COULD TAKE. AMB LALOVIC SAID, HOWEVER, THAT THE  
FORTUNATE OUTCOME OF THIS YEAR'S ILO CONFERENCE RESULTED  
IN A COMBINATION OF SPECIAL CIRCUMSTANCES WHICH INCLUDED,  
ONG MANY OTHER THINGS, THE EMOTIONAL REACTION OF THE

\*\*\*\*\*WHSR COMMENT\*\*\*\*\*

JORDAN, WATSON, EIZENSTAT, MR, Hy, IND

RECALLED  
#1035925 PAGE 21

TOR1213/20:06Z

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\*\*\*\*\*C O N F I D E N T I A L\*\*\*\*\*S COPY



ELOPING WORLD TO WHAT THEY CONSIDERED TO BE UNDUE PRESSURE FROM AND THE INFLEXIBLE POSITION OF THE US. HE SAID THERE WAS SUBSTANTIAL SENTIMENT AMONG DEVELOPING COUNTRIES THAT SOME OF THEIR CONCERNS WITH RESPECT TO STRUCTURE SHOULD ALSO BE CONSIDERED. HE SAID HE HOPED IT WOULD NOT BE NECESSARY FOR THE US TO WITHDRAW FROM THE ORGANIZATION, BUT RATHER THAT WE WOULD TRY TO WORK OUT AT THE NEXT CONFERENCE A SOLUTION THAT WOULD MEET OUR OBJECTIVES AND ALSO THOSE OF THE DEVELOPING WORLD. SUCH A SOLUTION, HE SAID, WOULD HAVE TO BE "POSITIVE, CONSTRUCTIVE AND ULTIMATELY ACCEPTABLE TO ALL, INCLUDING LABOR AND EMPLOYER REPRESENTATIVES." VANDEN HEUVEL

RECALLED  
N1235925 PAGE 02 OF 02 TDR:213/20:06Z DTG:031054Z AUG 77

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Per, Rac Project

THE WHITE HOUSE  
WASHINGTON

ESDN: NLC-126-8-32-1-7

BY KS NARA DATE 2/5/13

~~Secret~~

/	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
	/	EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
	/	WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
/	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



THE WHITE HOUSE  
WASHINGTON

Power structure will remain  
for long time. 2 way, civil / Savie  
- army must  $\Delta$

- ZANU. ZAPU combined  
army - 5000 / Rhodesia  
army

- Mozambique suffering

UN Force ok

Commonwealth force ok

8/5/77

THE WHITE HOUSE  
WASHINGTON

NYERERE

British refused majority rule  
Now agree

Prob among nat. leader

We were all under Br. Empire

Multi party ok - multi army no

Going to Cuba - Amos → Nkomo

1) Now 2 armies

Smith army must go

2) Interim - stop fighting &  
elections - 4 parties -  
who holds reins?

---

Constitution - 3. Br. US same

Smith - one man/one vote - no

Elections ok - all open

Nkomo/Mugabe - fighting forces

Which is base army



THE WHITE HOUSE  
WASHINGTON

2) Rhodesia - Namibia - 3) S Africa

- a) Majority rule - one man/vote -  
UN presence - free elections -  
Constitution (UK) - White settlers  
Pressure on Smith/Vorster <sup>pension/property</sup>  
Meeting 8/12 - Botha - <sup>Vance - Myerberg 8/13</sup> O'Brien/Young  
- Front Line Presidents 8/19 → UN  
Aug.

- b) Free election - one man/vote -  
UN presence - Phase out S Africa  
military - SWAPO (Mujoma?)  
Heruman ya Toiwo, other prisoners =  
Waldheim
- c) Arms - economics - steps/time?

Cuba in Africa

THE WHITE HOUSE  
WASHINGTON

Angola - Cuba  
MPLA had a few Cubans early  
they fought  
FNLA did not fight  
UNITA never recog by other  
small - did not fight

S. Africa & Zaire → Angola

---

Rhodesia

New govt intent civil  
service, etc incl police

---

All whites who desire to  
stay - equal treatment  
Number may be small



8/5/77  
Joint Chiefs

THE WHITE HOUSE  
WASHINGTON

PRC/Taiwan

Panama

Indian Ocean

C TB

2 ALCM's

PRM-10

SALT agreement expires

Jones- Death Knell of B-1  
Continue to fly 3 B1's  
Not build 4<sup>th</sup>

FB111 take 2 of 65 - modify  
2 B1 engines - stretch  
'78 <sup>#</sup>75 mil

Electrostatic Copy Made  
for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON

Once Voster is willing to  
move out - don't make  
it difficult

- SWAPO In Line with  
legality vs reality

=  
UN385 "Supervision &  
Control", not "satisfied"

- Waldheim probes

1. ONK = need approval
2. U.S. " " & \$

Sec Gen:

"You know what I want -  
- feeling"



THE WHITE HOUSE  
WASHINGTON

Define "political prisoners"  
Internat. tribunal

— Military withdrawal -  
Phased. all SA out by  
Independence Day unless  
New Govt requests

— Dependent on SWAPO's attitude

— Take ~ 1000

== NYERERE

Should say to S.A. "Get out!"  
(hasn't worked so far)

— Admission withdrawal by S.A.  
UN coming in

— Military withdrawal

— SA → UN → Namibia

THE WHITE HOUSE  
WASHINGTON

Namibia - M<sup>r</sup> Henry

- Free elections → Army
- → Constitution (Local & National)
- All Namibians participate regardless of past military freedom - Bill of rights
- UN supervisor role
- "satisfied"
- Interim - SA & UN
- End discrimination
- Exiles return
- Prisoners - simultaneous release = (Voster)



THE WHITE HOUSE  
WASHINGTON

August 5, 1977

Charlie Schultze

The attached was returned in the President's outbox and is forwarded to you for your information. The signed original has been forwarded to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

RE: RESPONSE TO STEEL PRICE  
INCREASE

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
	X	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

August 3, 1977

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*  
Subject: Response to Steel Price Increase

The attached draft memos for your signature reflect your directive to Stu and me on a response to the recent round of steel price increases.

The first draft is a directive to the Council on Wage and Price Stability to launch a study of the steel price increases. This study will focus on current conditions in the steel industry, and the impact of government programs on the demand for and price of U.S.-made steel. It should help form the basis of this Administration's policy toward the steel industry generally in the future.

The second draft is a letter from you to the Secretary of Defense and the Administrator of the General Services Administration directing them to seek the lowest price in government purchases of steel.

Directive to CWPS:

✓

Approve

Disapprove

Letter to DOD and GSA:

✓

Approve

Disapprove

Attachments

TWO SIGNATURES REQUESTED

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR

CHAIRMAN OF THE COUNCIL ON WAGE AND PRICE STABILITY

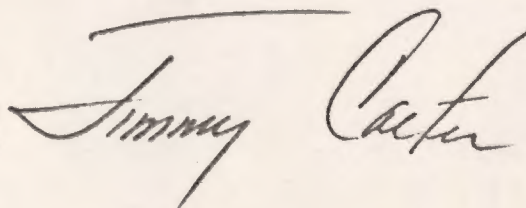
In the year since September, 1976, the price of steel products made in the United States will have risen 12.5 percent. This contrasts sharply with an annual rate of price increase for all industrial commodities of only 7 percent.

There is no doubt that the steel industry has experienced sharp increases in costs. Despite rapid price increases, profitability in the steel industry remains weak.

Nevertheless, the continuation of the kind of price and cost increases that we have been witnessing in one of our most basic industries clearly jeopardizes our efforts to achieve a deceleration in the overall rate of inflation. A steel industry able to produce steel at low cost, using the most modern techniques, is important to the overall well-being of the United States.

I am therefore directing the Council on Wage and Price Stability to begin immediately an updated study of prices, costs, and general economic conditions in the steel industry. I expect the Council to report to me by September 30, 1977. In its report the Council should pay particular attention to:

- (1) identifying the sources and reasons for increasing costs in the steel industry.
- (2) examining the impact of Federal policies on steel costs, prices, and economic conditions facing the industry.
- (3) actions which the Federal Government might take to moderate cost and price pressures in this industry.

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is written in a cursive, flowing style. The first name "Jimmy" is written with a large, sweeping initial "J". The last name "Carter" is written with a large, sweeping initial "C". The signature is positioned at the bottom right of the page.



THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE SECRETARY OF DEFENSE  
ADMINISTRATOR OF GENERAL SERVICES

In recent weeks several domestic steel producers have announced price increases for tin mill and structural steel products. If these price increases hold, they would bring the total price increases of steel mill products to 12-1/2 percent over September a year ago. In contrast, the average price increases for all industrial commodities have been about 7 percent over the past year.

I am asking the Council on Wage and Price Stability to begin immediately a study of prices, costs, and the overall economic position of steel manufacturing. I have also asked the Council to monitor developments in tin mill and structural steel markets closely over the next few months. In addition, I am asking for your assistance.

Your agency is responsible for the procurement of a major portion of those goods and services purchased by the Federal Government. I would like your contracting and purchasing officers to be particularly alert to the comparative prices of steel supplies. Those regulations designed to insure the procurement of lowest cost goods should be carefully followed. Where existing procurement regulations provide an opportunity for judgments, or the exercise of your discretion, you should be aware of the importance to my anti-inflation program of purchasing steel at the lowest possible cost.

*Jimmy Carter*

THE WHITE HOUSE  
WASHINGTON

August 5, 1977

Stu Eizenstat

The attached was returned  
in the President's outbox and  
is forwarded to you for your  
information and appropriate  
handling.

Rick Hutcheson

RE: FINAL DECISIONS ON WELFARE  
REFORM



THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

August 4, 1977

Stu  
J

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*  
BERT CARP

SUBJECT: Final Decisions on Welfare Plan

At yesterday's meeting you indicated a willingness to commit additional funding for job creation and day care necessary to implement a change in the decision regarding women with children age 6 and over. This will furnish you with an update of events since then.

I. Jobs

There are estimated to be 900,000 AFDC women with children 6-13. Of those, 250,000 are expected to volunteer for full-time public service employment, and another 350,000 are expected to take available part or full-time private sector jobs. This leaves 300,000 not expected to have full or part-time jobs under the plan as it stands.

The Labor Department originally proposed to create additional part-time jobs for all 300,000 of those women. As we understand it, the jobs would be essentially 25 hours a week during the school year, with no work during summer when children would be out of school.

The cost of these jobs would be roughly \$1.1 billion, offset by \$400 million in savings to the cash assistance program, for a net cost of approximately \$700 million.

The Labor Department initially recommended this approach, which would allow us to say that our goal is to assure availability of employment for all those under our plan who are required to work. Note that we would retain flexibility to convert some of these part-time jobs into full-time jobs should that be appropriate.

We and OMB had reservations about committing the full amount at this time and the Department of Labor has now changed its position. We are all in agreement to authorize creation of the full number of jobs Labor has recommended but to budget for only one-half this number. Estimates of private sector demand and the need for last-resort jobs in 1981 are obviously rough at this time, and we think it is possible to argue that additional opportunities for part-time work in the private sector may be available. Our main concern, however, is simply to maintain flexibility for you to judge between competing contenders for the "budget dividend" in your full budget review.

#### Decision

\_\_\_\_\_ Commit to an additional 300,000 part-time slots.  
(\$700 million)

✓ \_\_\_\_\_ Commit to 150,000 part-time slots now, with flexibility  
to make increases later up to 300,000 slots.  
(DPS and OMB recommend - Secretary Marshall now says  
he also supports this option.) (\$300 million) J

#### II. Day Care

There is some irony in the situation regarding day care and the jobs situation.

Department of Labor is recommending sufficient part-time jobs to employ, in combination with private sector slots, all women with children 6-13. At the same time HEW is proposing additional after school and summer day care slots which will have the effect of requiring additional numbers of these women to work full time.

Secretary Califano suggests that \$500 million in additional funds should be committed to providing day care and other social services. OMB comments that this may be unnecessary in view of the substantial day care deductions under the basic plan (20% of income up to \$150 per month). There is also a substantial question about what kind of delivery system to use in providing additional day care/social service slots, which will have to be resolved after the message is issued.



We would urge a commitment to no more than \$250 million in added social services at this time. Secretary Califano has said he can live with this, but must have some additional funds to assuage liberals. OMB strongly argues that this decision be deferred until the issue can be fully staffed out -- including an analysis of need given the day care deduction already in our proposal.

Decision

\_\_\_\_\_ Defer decision on additional day care slots (OMB recommends).

\_\_\_\_\_ Commit an additional \$500 million at this time (HEW recommends).

\_\_\_\_\_ Commit \$250 million (DPS recommends).

✓ \_\_\_\_\_ Make no precise decision at this time but state in the message that additional day care will be provided. ✓

III. The Work Requirement for Women with Children 6 - 13

All the agencies agree with the decision to require single-parent family heads with children 6 - 13 to work part-time.

However, the agencies believe requiring such persons to work full-time "where day care is available" will increase administrative burdens and complexities substantially, because of the need to evaluate the availability of acceptable day care in each case.

Since we are requiring these women to work in any event, albeit part-time, and since they have options of full-time work if they wish to have it, there is a serious question as to whether it is worth the administrative headache to require full-time work where day care is available. It is the common consensus that the administrative headaches far outweigh the very marginal benefits politically of insisting on full-time work where day care is available. ✓

THE WHITE HOUSE  
WASHINGTON

August 5, 1977

Stu Eizenstat\*

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: Major Disaster Request for  
State of Wisconsin

\*Lynn Daft is already working on  
this.



THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

August 3, 1977

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
LYNN DAFT *LD*  
SUBJECT: Additional Information Regarding Major  
Disaster Request for the State of Wisconsin

*Stu -  
Let the person call  
me who actually  
surveyed the timber  
area & who will  
supervise removal  
of fallen timber -  
J.C.*

In response to your comment to our earlier memo (see Tab A), we asked FDAA to provide additional information. Their reply is attached (Tab B).

On the basis of this information, including Secretary Harris' initial assessment which is also attached, we recommend that you approve the request.

*No cleaning up  
of timber on private  
land - opening  
of roadways.*

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for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON

Rick -

I spoke to Lynn Daft on  
the Wisconsin Disaster --- he is  
still trying to locate the proper  
person to speak to the President -  
If he does so within the hour he will  
speak to Tim Kraft to see if the  
President wants to speak to him  
before he leaves. If he does,  
he will tell Tim that you have the  
package the President should have  
in front of him for the call.

Trudy  
8/5/77  
1:15 P.M.



THE WHITE HOUSE

WASHINGTON

Dear Madam Secretary:

I have determined that the impact of high winds, hail, and rain on the State of Wisconsin is of sufficient severity and magnitude to warrant a declaration of an emergency under Public Law 93-288. I therefore declare that such an emergency exists in the State of Wisconsin.

In order to provide Federal assistance, you are hereby authorized to allocate, from funds available for these purposes, such amounts as are necessary to provide Federal disaster assistance authorized by law and by this declaration.

I expect regular reports on progress made in meeting the effects of this emergency, the extent of Federal assistance already made available, and a projection of additional assistance required, if any.

Sincerely,

*see below:*

*Jimmy Carter*

Honorable Patricia Roberts Harris  
Secretary of Housing and  
Urban Development  
Washington, D. C. 20410

*Timber removal is to be limited to  
public lands and public roads. None  
from privately own property. This is  
what Milt Renke, State Forester, proposed.  
J. Carter*

THE WHITE HOUSE  
WASHINGTON

August 4, 1977

Stu Eizenstat

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Hamilton Jordan  
Jody Powell

RE: DISASTER REQUEST FOR WISCONSIN



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~~THE PRESIDENT HAS SEEN~~

THE WHITE HOUSE  
WASHINGTON

August 5, 1977

SWEARING IN CEREMONY OF JAMES R. SCHLESINGER

Friday, August 5, 1977

2:00 p.m. (15 minutes)

The Rose Garden

From: Frank R. Pagnotta *FR*

I. PURPOSE

To swear in James R. Schlesinger as Secretary of Energy

II. PARTICIPANTS AND PRESS PLAN

A. Participants: James R. Schlesinger, wife Rachel and children Cora, Charles, Emily, Thomas, Ann, James Jr. and Clara and Attorney General Griffin Bell who will administer the oath of office.

B. PRESS PLAN: Open press coverage and photo opportunity.

III. TALKING POINTS

1. First discussions with James Schlesinger a little over six months ago when a comprehensive national energy policy dream was born and the vital nature of the task agreed upon.
2. Compared to Jim Schlesinger's prior Government service this is the most important job he will be asked to perform.
3. This is just the beginning -- we are aware of the difficulties ahead regarding resolutions to our energy problems which touch every level of our society and the lives of all Americans.
4. The success of the Department will depend not only on the leadership of Jim Schlesinger but the cooperation of every citizen.
5. Solving our energy problems is the most important and critical matter concerning the future of our Country.
6. Momentous occasion -- first Cabinet department established since 1966 (Department of Transportation).

Attachment: List of attendees

**EXECUTIVE OFFICE OF THE PRESIDENT**  
**ENERGY POLICY AND PLANNING**  
**WASHINGTON, D.C. 20500**

August 5, 1977

List of Congressional Invitees to Mr. Schlesinger's Swearing-In  
Ceremony - 2 p.m. White House Rose Garden  
Entrance by Southwest Executive Gate

Senators

Howard Baker  
Harry Byrd  
Robert Byrd  
Frank Church  
Alan Cranston  
John Culver  
John Glenn  
Clifford Hansen  
Floyd Haskell  
Hubert Humphrey  
Henry Jackson  
Bennett Johnston  
Patrick Leahy  
Russell Long  
John McClellan  
Patrick Moynihan  
Sam Nunn (and Mrs. Nunn)  
Charles Percy  
Jennings Randolph  
Abraham Ribicoff

CONGRESSIONAL STAFF

Ross Ain  
William Demerest  
Donald D. Donohue  
Daniel Dreyfus  
Grenville Garside  
Michael Harvey  
Robert Ketcham  
Frank Potter  
Hunter Spillen  
Ari Weiss

NOTE: ANN SCHLESINGER WILL BE WITH SENATOR JACKSON.



**EXECUTIVE OFFICE OF THE PRESIDENT**  
**ENERGY POLICY AND PLANNING**  
**WASHINGTON, D.C. 20500**

August 5, 1977

List of Congressional Invitees to Mr. Schlesinger's Swearing-In Ceremony -  
2:00 p.m. White House Rose Garden  
Entrance by Southwest Executive Gate

HOUSE OF REPRESENTATIVES

Speaker Tip O'Neill

Congressman: Lud Ashley  
Tom Bevill  
Dick Bolling  
Jack Brooks  
Clarence "Bud" Brown  
Barber Conable  
John Dingell  
Bob Duncan  
Joseph Fisher  
Walter Flowers  
Don Fuqua  
Bob Giaino  
Frank Horton  
Mike McCormack  
George Mahon  
Bob Michel  
John Moss  
John Rhodes  
Melvin Price (with Mrs. Melvin Price)  
Harley Staggers  
Mo Udall  
Al Ullman  
Bob Wilson  
Jim Wright  
Sid Yates

**EXECUTIVE OFFICE OF THE PRESIDENT**  
**ENERGY POLICY AND PLANNING**  
**WASHINGTON, D.C. 20500**

August 5, 1977

List of Invitees to Mr. Schlesinger's Swearing-In Ceremony -

2 p.m. White House Rose Garden  
Entrance by Southwest Executive Gate

Personal

Secretary Cecil Andrus  
Kenneth BeLieu  
Robert Fri  
Elizabeth Hall  
Florence Hall  
Hugh Loweth  
Mary Marshall  
Jack O'Leary  
Mrs. Geraldine Price  
Admiral Hyman Rickover  
Mrs. Eleanor Rickover

Ann Schlesinger  
Charles Schlesinger  
Clara Schlesinger  
Cora Schlesinger  
Emily Schlesinger  
Eugene Schlesinger  
James Schlesinger, Jr.  
Kenneth Schlesinger  
Rachel Schlesinger  
Thomas Schlesinger



9:30 AM

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

Meeting with Aaron Henry  
Friday, August 5, 1977  
9:30 a.m.  
The Oval Office  
(5 minutes)

(by: Fran Voorde)

I. PURPOSE: To greet Aaron Henry and have photo taken.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN:

A. Background: Aaron Henry called a day after the Vernon Jordan story to express his continuing support. He also made suggestion he thought it would be helpful for the President to meet with the Black Caucus (tentatively set for Sept. 7). He indicated he would be in Washington today and would like to stop by for a few minutes.

I invited him to witness the Youth Employment Bill signing and to visit with you briefly immediately following the ceremony.

B. Participants: Aaron Henry & the President.

C. Press Plan: White House Photographer.

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THE PRESIDENT HAS SEEN.

done  
C  
—

THE WHITE HOUSE  
WASHINGTON

August 5, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

*F.M.*

This is a reminder to call Senator Byrd and the Speaker from Air Force One to thank them and congratulate them on their cooperation and productive leadership for the Administration's proposals. You should call Senator Byrd first.

If you have nothing else to do on the trip, a call to Senator Herman Talmadge and Congressman Thomas Foley would be nice to thank them for their help on the farm bill. They both gave a lot of blood. Talmadge in particular was tough with his colleagues yielding to the House position.

The Republican substitute */ The Energy Bill* was defeated 265 to 144. The motion to recommit and final passage should be in about 45 minutes.

—  
—  
—  
—  
—

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THE WHITE HOUSE  
WASHINGTON  
August 5, 1977

The First Lady  
Frank Moore  
Gretchen Poston

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hutcheson  
RE: CONGRESSIONAL PICNICS

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION  
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
/	MOORE
	POWELL
	WATSON
	LANCE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to  
Carp/Huron within  
48 hours; due to  
Staff Secretary  
next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
/	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
/	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

August 4, 1977

cc Gretchen  
Thanks!  
J

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F. M.*

*your*  
~~our~~ three Congressional picnics were attended by a total of 324 Members of Congress and 803 spouses and family. The response was universally favorable. I think everyone enjoyed them and appreciated very much the chance to meet with you and your family.

Gretchen Poston and others who worked with her deserve a great deal of credit for making these such a big success.

The good will generated by everyone getting to know each other makes our job on the Hill a great deal easier, and I appreciate your spending the length of time that you did at each of the picnics. I think it will pay dividends for a long time. We should continue to have similar events in the coming months.

*Frank*

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5

THE WHITE HOUSE  
WASHINGTON

August 5, 1977

Gretchen Poston -

The attached has been forwarded  
to the President. This copy is  
for your information.

Rick Hutcheson

Re: Congressional Picnics

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

August 5, 1977

@  
—

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
SUBJECT: Domestic Policy Staff Weekly  
Status Report

AGRICULTURE AND RURAL DEVELOPMENT

Farm Bill: We are working closely with USDA representatives at the Senate-House conference on the farm bill. With the exception of sugar, we have been fairly successful in maintaining the Administration position, with Frank's staff taking the lead.

World Hunger: Still working with NSC, OSTP, and Bourne's shop to outline an approach on this topic, but having trouble coming to an agreement.

Setaside: Have begun analysis of the need to institute an acreage setaside for wheat and feedgrains for the 1978 crop year. Will work closely with USDA, CEA, and OMB on this.

Drought: Have prepared a status report on drought assistance for Jody Powell's use in preparing press release.

CONSUMER MATTERS

Agency for Consumer Protection: We are working with Esther Peterson, OMB and Frank's staff to develop strategy for initiating House action.

Class Actions: We are working with Esther Peterson and Justice to review recently-introduced consumer class action bills and to develop an Administration position. We are working with Esther Peterson, Frank's staff and Justice to help enact the FTC Improvements Act, which authorizes class actions to enforce FTC rules.

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### INTEGRITY AND OPENNESS MATTERS

Executive Order on Logging: Memo prepared by Justice has been reviewed. Justice draft has been redrafted by the Executive Office Working Group and circulated for comment to agencies. Target date is immediately after Congress' return in September.

Lobby Reform: Per your campaign promise, we have supported a strong new lobby law. House Committee is in mark-up, and we sent proposed language on executive branch lobbying developed with OMB and Justice to the Hill. It covers the lobbying of executive level officials by companies who seek government contracts. Justice testified in Senate on August 2.

Revision of Security Classification System: The interagency task force has completed its work. We are drafting a decision memo for you along with NSC.

Public Officials Integrity Act: We are working with Frank's staff, Justice, CSC and the Speaker's office to secure House passage this year.

Funding for Printing of Federal Register and Code of Federal Regulations: GSA has changed their position on this. They are working on a memo that will be in to you soon.

### CIVIL SERVICE MATTERS

Part-time Employment: Along with OMB and the Civil Service Commission, we are studying how part-time federal employment can be expanded. A decision memo to you next week.

Hatch Act Reform: Hearings are being held in the Senate. We are working with the Civil Service Commission and Senate staff on policy development.



### REGULATORY REFORM PROJECTS

Regulatory Reform Agenda: The memo that was drafted by the Regulatory Working Group is complete and will be forwarded to you as a Reorganization Project memorandum as soon as last details are agreed to by Bert Lance.

Surface Transport Reform: Following your meeting with Secretary Adams, a task force is studying and preparing a decision memo for you on surface transport reform options. The DOT memo was sent to OMB and circulated to other agencies on July 25. Target date for a memo to you is now August 12.

Airline Regulatory Reform: We are continuing to assist the Senate committee in revising the air bill, and we have begun to meet with interested agencies to discuss whether statutory labor protection provisions are necessary.

OSHA Reform: We are working with OMB, CEA and DOL to establish an interagency task force as approved by you. Public announcement signed by you will be released today. We are now looking for a competent staff director.

Coordination of Toxic Substances Regulation: CEQ has assembled an Interagency Task Force for long-term review of the area. The four major toxics regulatory agencies (EPA, OSHA, CPSC, FDA) have begun a major effort to coordinate their activities, which was announced August 2 at a press conference.

Regulation of Housing Construction: We have asked HUD to appraise a recent study showing that federal, state, and local regulation adds \$8,000 to the price of a \$50,000 home, and to explore reform concepts. No target date yet.

Financial Institutions Regulation: We are working with Treasury, HUD, OMB, and CEA to develop a format for approaching the reform agenda in this area beyond NOW account legislation now on Capitol Hill.

### COMMUNICATIONS

Telephone Interception: We have worked with NSC and other agencies on a policy to deal with Soviet interception of the domestic telephone system. The report has been submitted to the NSC.

Public Broadcasting: We have worked out proposals for reauthorization legislation with OMB and HEW, and the decision memo is on the way to you.

LABOR

Humphrey-Hawkins: A redraft of our proposed bill has been received from Humphrey and Hawkins staff. We are reviewing with CEA staff.

Independent R & D: At your request, an assessment will be in to you August 12.

D.C. Task Force: Memo to you this week.

NATURAL RESOURCES

Strip Mine Law: We are working with Interior on implementation.

Public Works Appropriations Enrolled Bill: Memo to you on Friday.

Water Policy Review: Regional public hearings completed. We are working with Interior, OMB, and CEQ.

Clean Air Act: The conferees completed action this week with satisfactory results on key issues.

Federal Water Pollution Control Act: Senate considered FWPCA Amendments on August 4, defeating an amendment, opposed by the Administration, to substantially weaken the dredge and fill discharge permit system (Section 404). Senate passage expected before recess. Working with EPA to put pressure on the House to schedule hearings immediately following the August recess, and to resolve the issue of sewage treatment plant funding before the end of the fiscal year.

ENERGY

DOE: Signed.

Clinch River Breeder Reactor: A strategy meeting to prepare for the House vote after the August recess has been held with Frank Moore's staff and public interest groups. A strategy session will be held with Congressional sponsors at the White House today.

Alaskan Natural Gas: First preliminary session held with the Canadians on July 26. A final analysis of NEB (Canadian National Energy Board) impacts is being completed and a decision memo for you is in drafting process. A response to the Congressional letter will be to you early next week.

National Energy Plan: House floor action scheduled to be completed Thursday or Friday. Working with OMB and Schlesinger's staff on up-date of revenue effects of House action.

## HEALTH

National Health Insurance: The Advisory Committee on National Health Insurance will meet in Canada to see the Canadian health system on September 8 and 9.

Rural Health Clinics Bill: A subcommittee of the House Ways and Means Committee has reported out legislation to provide Medicare reimbursement to physician extenders in rural clinics. The Senate is likely to expand the bill to include Medicaid reimbursement to physician extenders in rural clinics. We are in favor of both proposals.

Privacy Protection Study Commission: A memo to the relevant agencies has been sent out for their views. Comments due on August 22.

Labor-HEW Appropriations Bill: Per your request to me, Secretary Califano has met with the House and Senate conferees and has secured significant reductions. We have prepared a chart showing the major differences between the conference and our budget request.

## ECONOMICS AND BUSINESS

Tax Reform: We continue to consult with Treasury, CEA and outside experts such as Joe Pechman and Stanley Surrey.

Trade Deficit: We are preparing a memo for you summarizing papers presented by Treasury and Commerce. We have discussed this at the EPG.

Trade Adjustment Assistance: We are working with Commerce, STR, and the agencies on a general TAA program. We will have a memo to you soon.

## CIVIL RIGHTS AND JUSTICE

Undocumented Aliens: We will consult with Justice Department officials as they write the legislation.

Handguns: We will review the draft legislation with Justice, OMB and others.

Morris Dees Memo on Death Penalty: We will meet with Justice and comment on the memo by September 1.



EDUCATION

Comprehensive Education Policy: We are working with HEW officials to develop a coordinated and comprehensive education policy. All agencies have been asked to identify their educational programs.

WOMEN

We are working with OMB and the Civil Service Commission Task Force to determine the law and rule changes that would respond to the equal opportunity and sex discrimination concerns of women.

HUMAN RESOURCES

Welfare Reform: We will work with HEW, DOL, OMB and CEA to coordinate preparation of the options memo which you requested and the Message.

Foster Care Reform: The reform proposal of the Administration has been substantially weakened by the Finance Committee. We are working with HEW and child welfare groups to attempt to insert as much as possible of the Administration proposal into the committee bill and organize for amendments on the Senate floor.

Social Security: The Finance Committee is clearly against any form of general revenue financing of social security. They are considering a staff proposal to increase revenues by moving the Administration's proposed tax increases forward several years. We are working with HEW to preserve major features of the Administration proposal in order to gain leverage in the House and on the floor.

Indochinese Refugees: The State Department task force has begun to meet to develop an overall policy toward refugees in Indochina. We are working with this group to insure that the policy meshes with domestic capabilities to handle any additional resettlement in the U.S.

MISCELLANEOUS

Budget: We continue to meet with the agencies, along with OMB, to discuss the upcoming legislative program.

Executive Branch Annual Reports: We are working with OMB to prepare a letter to Congress.

Youth employment  
Bill

THE WHITE HOUSE  
WASHINGTON

J

Carl Perkins - Gus Hawkins

Harrison Williams - Gaylord Nelson

Scoop Jackson - Lloyd Meeds

HHH

Complete Stimulus

Tax 5-2-87

1/2 unemp

224

Pub Sec 1500/wk

Shaper a life

Pub Wks 1000/wk

Provides jobs & information

Young Adult Cons Corps

Ed Roybal CCC

Youth Commun Cons/Corp Projects

Pilot projects Part/fulltime - Stay  
in school

Job Corps 2X

THE WHITE HOUSE  
WASHINGTON  
August 5, 1977

Hamilton Jordan  
Jody Powell  
Zbig Brzezinski

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hutcheson

RE: ARTICLE FROM THE OBSERVER,  
7/10/77. ' HE HAS THE GOOD  
QUALITIES OF MACHIAVELLI'S  
PRINCE'



THE WHITE HOUSE  
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION	FYI	
<input type="checkbox"/>	<input type="checkbox"/>	MONDALE
<input type="checkbox"/>	<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	<input type="checkbox"/>	EIZENSTAT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	<input type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	<input type="checkbox"/>	MOORE
<input checked="" type="checkbox"/>	<input type="checkbox"/>	POWELL
<input type="checkbox"/>	<input type="checkbox"/>	WATSON
<input type="checkbox"/>	<input type="checkbox"/>	LANCE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input checked="" type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	KING

<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

The Observer (London)  
July 10, 1977

THE PRESIDENT HAS SEEN.

# 'He has the good qualities of Machiavelli's Prince'

Dr Zbigniew Brzezinski, formerly a professor at Columbia University, is the President's Special Assistant on National Security Affairs.

**OBSERVER:** How much did the element of pure luck contribute to Jimmy Carter's arrival at the Presidency?

**ZBIGNIEW BRZEZINSKI:** I think he is lucky. I think he is lucky in the way that historical figures are lucky when they shape their own destiny. It's a very subtle interaction between will, ability and destiny. I once said to him—in fact it was on the plane back from London—that I think he has some of the qualities of Machiavelli's Prince. I mean these qualities in the good sense and not in the negative 'Machiavellian' sense. If I recall my political theory correctly, Machiavelli said the great leader has to have two qualities: *virtu* and *fortuna*. *Virtu* means virtue, but a special kind of virtue. The virtue of the statesman. The virtue of the higher ideal, which sometimes is not the same thing as the daily notion of the ideal.

And *fortuna*, which means, essentially, being lucky, being in step with the hidden mysteries of life. Being on time, historically. Not too early, not too late. And on that basis, being able to shape events, pull people behind them, create a sense of historical direction.

A major theme with which he began his campaign was,

'I will never lie to you.' One man's lie is another man's rationalisation. How do you define this higher truth so that in daily terms it doesn't appear as something less than the truth?

First of all, it was a dramatic statement to have made at that time. Second, it was a true statement in the sense that he didn't lie. Third, I can understand it because in a sense I don't lie, myself. I don't deliberately lie.

Would you agree that the job of being President is more difficult than it used to be?

No, I wouldn't. I think that estimate is based on a view of what is needed that is conditioned by the previous 30 or 40 years of American history: namely, that progressive improvement and steady improvement in material consumption is a definition of success. What Carter is doing—and I think it has real historical significance—is trying to draw attention to the more spiritual, more elusive and more fundamental aspects of human existence.

If he can reintroduce into American democracy the notion that principle, belief, religion, and family love are sources of really lasting satisfactions, then he may contribute to a society which is much happier even if its



Brzezinski, Polish-born, sees the President each morning to give him a briefing on foreign policy.

individual rate of consumption doesn't grow by 5 per cent per annum.

You used the word 'reintroduce.' Who were you harking back to as the leader who introduced that?

I don't think that any leader introduced it, but I think there was a phase in American history in which these values were of far greater importance than they have become since the age of secularism when material consumption became dominant. I happen to believe very deeply that a modern democracy which becomes purely preoccupied with material consumption is going to be a system that will not long endure.

Do you find any precedent for a President who has made a major commitment to a programme whose benefits will not be measurable until after his term of office? I mean Carter's energy programme.

You have to understand an important aspect of Carter; in addition to being genuinely

religious he's also a genuine planner. He likes to think in 'planning' categories. To him, a planned future is as much a part of his immediate reality as tomorrow is for most people. And that is perfectly consistent with his way of operating: to take an issue, to think through its implications, and to start planning in relation to some target which may or may not coincide with his first or second term of office.

Is it within the scope of Presidential power to have an impact on such a long range goal?

There may be no precedent. In fact, Carter may be the first President since Jefferson who knows a great deal about science and who is a systematic planner.

One has to take into account the nature of the changing times, namely that we have moved into a phase of history in which the interaction of a variety of forces has to be

Continued on page 22

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computed and programmed over longer and longer periods of time. It's the policy requirement that is new. This is something which no one thought of doing a hundred years ago, because even the concept of national economy at that time didn't exist with the same degree of sophistication. And the interdependence of society wasn't so dominant.

Today we are dealing for the first time with an American society which is so interdependent that you really have to think about longer-term implications of policy decisions.

I'm interested in his chances of success.

Well, that's going to be very difficult. It will require a degree of change in the public and Congressional consciousness which may be difficult to attain. But here is where the innovative quality of the Carter Presidency comes in. He may, if he succeeds, not only imbue the society with great respect for values which transcend materialism, but he may induce habits of thought in policy-making which will look at longer ranges of time than traditionally has been the case.

You've mentioned Carter's religion. What is there to prevent him from becoming a 'true believer'—a new Oliver Cromwell come to set things right for the world?

Because, as I sense it, and as I have occasionally learned from discussions with him, his religion is a deeply personal thing. How his religion structures his life is his own personal affair. He does happen to think — and it's a view which I share — that spiritual values have significant social utility: that a society which rests on certain fundamental beliefs is a society which has stronger foundations.

I'm not a fundamentalist. My religious credentials are very modest. But I do happen to have a belief that human life has no meaning unless it is related to transcendental values. Individual existence is only meaningful if it involves a search for something beyond one's self—for God, in effect. And a society which is not bound by some spiritual values is a society in a state of dissolution.

What will be the definitions of the Carter Administration compared to Roosevelt's New Deal, Kennedy's New Frontier and Johnson's Great Society?

Well, the phrase Carter used in his Inaugural was 'a new spirit.' I think if he can infuse America with a new spirit and if he can infuse international affairs with a new spirit, that is to say, with a new sense of values, a new sense of goals, it will be an important historical achievement.



THE WHITE HOUSE  
WASHINGTON  
August 5, 1977

Stu Eizenstat

The attached was returned in the President's outbox and is forwarded to you for your information. The signed letter has been forwarded to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Zbig Brzezinski  
Bob Linder

RE: ANNUAL REPORT OF THE U.S.  
NAVAL ACADEMY

*70 pages*

THE WHITE HOUSE  
WASHINGTON

*Note letter to be sent out*

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
/		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to
	Carp/Huron within
	48 hours; due to
	Staff Secretary
	next day

	ARAGON
	BOURNE
/	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

August 1, 1977

MEMORANDUM TO:

THE PRESIDENT

FROM:

STU EIZENSTAT

SUBJECT:

Transmittal of Annual Report of the  
U.S. Naval Academy Board of Visitors

*Stu - I would like a  
study done to determine  
if the curriculum at  
the service academies  
can/shoud be more  
narrowly focussed on  
their future careers.  
advise  
Stu J.C.*

### The Report

The Naval Academy Board of Visitors has now submitted its report, following its annual visit to the Academy on November 29 and 30, 1976.

The report includes a review of the honor code, the training and education of women, facilities, curricula and attrition. This report is a significant improvement over the previous reports in breadth of material covered. (Attachment #1.)

The report notes the successful integration of women into the Naval Academy. It points out that the U.S. Navy is developing legislative proposals to modify 10 USN 6015 to permit women to be assigned to temporary duty on any vessel not engaged in combat missions, and to permanent duty of vessels of a classification similar to hospital ships and transports.

The period covered in this report precedes your term of office.

This report has been reviewed by OMB. You do not have to read the report.

### Action

Attached for your signature is a letter commending General Victor Krulak, USMC (Ret.), for the work of the Board of Visitors. (Attachment #2.)

Also attached is a press release which outlines the conclusions of the annual report. (Attachment #3.)



THE WHITE HOUSE

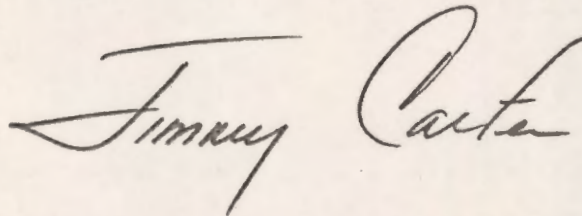
WASHINGTON

To General Victor Krulak

I have just received from the Secretary of Defense the November 1976 Report of the Naval Academy Board of Visitors and wish to extend to you, as the elected Chairman of the Board, my sincere appreciation for the leadership so capably demonstrated in the preparation of this excellent report.

The comments and recommendations emphasize the Board's commitment to a Naval Academy whose growth will be equal to the challenge of the future. You have made a significant contribution to that vital undertaking and the security it provides our country.

Sincerely,

A handwritten signature in dark ink, reading "Jimmy Carter". The signature is fluid and cursive, with the first name "Jimmy" and the last name "Carter" clearly distinguishable.

Lt. General Victor H. Krulak, USMC (Ret.)  
President  
Copley News Service  
350 Camino De La Reina  
San Diego, California 92108

FOR IMMEDIATE RELEASE

Office of the White House Press Secretary

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THE WHITE HOUSE

The President has received the November 1976 Report of the Board of Visitors to the United States Naval Academy. The Board, which met at Annapolis, Maryland, is required by law to meet annually to inquire into the state of morale and discipline, the curriculum, instruction, physical equipment, fiscal affairs, academic methods, and other matters relating to the Academy which the Board decides to consider, and to report its findings to the President.

The Board consists of 15 members: six Presidential appointees, three Vice Presidential appointees, and four appointed by the Speaker of the House. The remaining two members are designated, respectively, by the Chairmen of the House and Senate Service Committees.

The Board reached the following conclusions:

1. The Board praised the Academy's handling of the operation and administration of the Honor Concept.
2. The Board concurred in the Academy's conclusions that its mix of military and civilian faculty was appropriately balanced.
3. The Board noted the need for legislation for women to be allowed to serve temporarily on any naval vessels not engaged in combat and to serve permanently on vessels with classification similar to hospital ships and transports.
4. The Board complimented the Academy on its management of resources and was pleased to note that funding had been approved for major repairs on waterfront and utility systems.
5. The Board commended Mr. Donald O. Heumann, who served as Chairman for the past three years, and also Rear Admiral Eugene A. Barham, USN (Ret.) and Dr. James Frank, whose terms expired on 30 December 1976.
6. The Board expressed appreciation to Admiral McKee and his staff for their comprehensive preparation for the meeting and for their gracious hospitality.

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for Preservation Purposes**



The Board made the following recommendation:

That Congressional authorization for construction of a new Physical Education Center be sought.

The Board was composed of the following members:

Lieutenant General Victor H. Krulak, USMC (Ret.), President,  
Copley News Service, San Diego, California -- Chairman

Senator John H. Glenn, Jr., Ohio  
Senator Mark O. Hatfield, Oregon  
Senator Daniel K. Inouye, Hawaii  
Senator Robert Taft, Jr., Ohio

Representative Daniel J. Flood  
Representative Marjorie S. Holt, Maryland  
Representative Frank Horton, New York  
Representative Jack Kemp, New York  
Representative Robert L. F. Sikes, Florida

Rear Admiral Eugene A. Barham, USN (Ret.), President, T.E.  
Barham Company, Inc., Oak Ridge, Louisiana  
Dr. James Frank, President, Lincoln University, Jefferson City,  
Missouri  
Mr. Donald O. Heumann, Owner, Donald O. Heumann Greenhouses,  
New Orleans, Louisiana  
Mr. John A. Love, President and Chief Executive Officer, Ideal  
Basic Industries, Inc., Denver, Colorado  
Mr. George W. Pepper, President, Scott Paper Company (Ret.),  
Philadelphia, Pennsylvania



THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
/	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	LANCE
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	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE  
WASHINGTON

August 5, 1977

Bob Lipshutz

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Zbig Brzezinski

RE: MINIMUM TIME REQUIRED FOR  
ROUTINE SALE APPROVAL OF  
LOCKHEED C-130 AIRPLANES

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

August 4, 1977

*Bob - This  
Check on  
every now & then  
J*

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz *RLJ*  
SUBJECT: Minimum Time Required for Routine Sale  
Approval of Lockheed C-130 Airplanes

In response to your request concerning the above matter, I wish to make the following report.

First of all, I note that you and the Secretary of State have already determined that the C-130 should continue to be designated as "significant combat equipment" for purposes of the Arms Export Control Act.

I also am pleased to attach a copy of a letter from R. B. Ormsby, President of Lockheed-Georgia, to General Fish of the Defense Department, dated July 27, 1977, which clearly indicates that the problem has been considerably alleviated since it was first brought to your attention.

Concerning the time-table itself, I believe the attached summary, which relates to the Morocco sale referred to in the same letter, succinctly illustrates the current situation. This indicates that, from the date of the initial contract between Lockheed and purchaser, the planes were manufactured and ready for delivery physically in fourteen to fifteen months. But because of delays in completing the financial arrangements, this time period was extended to about eighteen months. I recommend that you urge all of the parties involved, and particularly the Department of Defense and the Department of State, to review this matter with the objective of reducing the entire time period to the actual construction period of fourteen to fifteen months.

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# LOCKHEED-GEORGIA COMPANY

A DIVISION OF LOCKHEED AIRCRAFT CORPORATION

MARIETTA, GEORGIA 30063

LGD/739124

27 July 1977

Lt. General Howard M. Fish  
Director, Defense Security Assistance Agency  
The Pentagon, Room 4E841  
Washington, D. C. 20301

Dear General Fish:

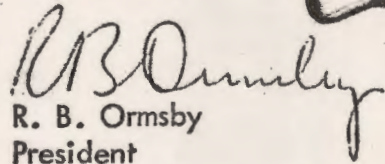
With the leadership that you have provided, I believe the working relationship and coordination between the Defense Security Assistance Agency and the Lockheed-Georgia Company has become much closer. The results of this improved teamwork are already visible. We especially appreciate the efforts made in several recent FMS cases for C-130 aircraft. This progress has been beneficial and in the best interests of the U. S. Government, and the foreign countries involved.

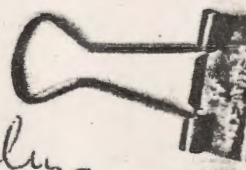
In an effort to sustain this closer coordination with DSAA, I feel I should report to you a new but different problem of considerable concern. The problem involves the C-130 sale to Morocco. This was a direct sale, but payments were to be made under an FMS credit arrangement with the DSAA. Because of processing delays in this FMS financing, final payment (over \$12 million) on four aircraft is not expected until late September at which time some three to five months will have elapsed since these aircraft became available for Moroccan acceptance. The attachment to this letter provides a summary of the problem and status.

I respectfully request your assistance in expediting the required FMS financing; I assure you that we will support you in any way possible. Because of the involvement of the State Department in this matter, I have taken the liberty of also calling this problem to their attention.

Once again, I would like to thank you for the progress that is being made and the improved cooperation we have been able to achieve with your guidance.

Yours truly,

  
R. B. Ormsby  
President



D 8767/77

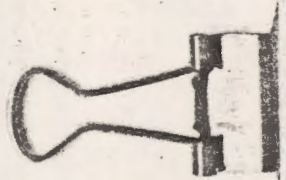
- March 18, 1976 - Contract signed by Lockheed-Georgia Company and the Moroccan Government for six aircraft: scheduled for delivery one per month in January and February, 1977, and two per month in June and July, 1977.
- December 16, 1976 - Export license for last four issued by State Department.
- May-June, 1977 - Last four aircraft ready for delivery, but Lockheed could not do so because of lack of FMS credits (an agreed essential element for delivery).
- July, 1977 - State Department initiated the required Presidential Determination request. (It appears that in this case there was undue delay on the part of State and the Moroccans.)
- September, 1977 - Estimated completion date for this processing (per attached schedule), nine or ten weeks (State, OMB, NSC, President, DOD, Treasury and Morocco).



- o The African waiver package was sent from State to the Office of Management and Budget (OMB) early in July. It is not known when OMB action will be completed.
- o From OMB the package must go to the National Security Council (NSC) for review and approval. Approximately one week.
- o From NSC to the White House for signature. Approximately one week.
- o From the White House to State for review and implementation. Approximately two weeks.
- o From State to DOD and Treasury for approval. Approximately four days.
- o From Treasury back through DOD to Morocco for signature. Approximately two weeks.
- o The signed loan agreement is then returned to DOD for a legal opinion. Approximately two weeks.
- o From DOD to Treasury to be drawn upon. Approximately two days.

The estimates for these steps represent normal procedure with no delays and no expediting. This estimated nine or ten week span would result in the resolution of the problem very late in September.

\* \* \*





THE PRESIDENT HAS SEEN.

*De Butts to Bert talked*



THE VICE PRESIDENT  
WASHINGTON

August 4, 1977

*C*

MEMORANDUM FOR: THE PRESIDENT  
FROM: THE VICE PRESIDENT *WFE*  
SUBJECT: MEETING WITH GLENN WATTS

I had a brief meeting this afternoon with Glenn Watts, the President of the Communication Workers of America, and he said that the negotiations between the management of the Bell System and the union representatives had reached a critical stage. The deadline for reaching agreement is midnight Saturday, August 6. 700,000 workers will leave their jobs if there is a strike.

Glenn asked that I convey to you the message that he feels that a telephone call from you to John de Butts, Chairman of the Board of AT&T, in which you would express your concern over the possibility of a strike, and your hope that the two sides could get together, could be very helpful.

Glenn clearly understands that you could not become involved in the negotiations, and I expressed my concern to Glenn that the union representatives get going as well. Regarding the call to John de Butts, I said only that I would let you know of Glenn's request.

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THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

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/		EIZENSTAT
		JORDAN
/		LIPSHUTZ
		MOORE
		POWELL
/		WATSON
		LANCE
		SCHULTZE

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	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE  
WASHINGTON

August 5, 1977

The Vice President

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Stu Eizenstat  
Bob Lipshutz  
Jack Watson  
Landon Butler

RE: MEETING WITH GLENN WATTS



THE WHITE HOUSE  
WASHINGTON

August 5, 1977

Frank Moore

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hutcheson

RE: PLOW BACK VOTE IN CONGRESS

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION  
FYI

	MONDALE
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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

August 4, 1977

*done  
J*

MEMORANDUM TO THE PRESIDENT

FROM: FRANK MOORE *FM*

The plow back vote is close. It should come around 4:30 p.m. We are going to have to win with Democrats as we have very, very few Republicans. The Whips, the Leadership, labor and consumer groups are all working hard. We need your help with two members nobody else has been able to turn, and I think you can:

Congressman Doug Walgren (D-Pa), a first-term from Pittsburgh  
Telephone: 225-2135

Congressman Carl Perkins (D-Ky) *Heineman*  
Telephone: 225-4935

*will try*

*ok*

Every time we have ever called on Congressman Perkins before he has responded. Perkins could mean three more out of Kentucky.

Clean air conference report will be up by the House immediately after this vote. We have arranged for the Senate to receive it immediately and try to dispose of it tonight.

Tip now says he will not finish tonight and will slip the Corman-Mikva gas user tax until tomorrow. This is good; we need the extra time to work it.

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: Mike Blumenthal

FROM:

Jane Frank *Jane*

August 3, 1977

RE:

Tax Reform Briefing, Monday, August 8,  
Roosevelt Room, 9 - 11 a.m.

The following Cabinet members have indicated that they will attend the captioned meeting:

Brock Adams  
Cecil Andrus  
Bob Bergland  
Harold Brown  
Hale Champion  
for Joe Califano  
Warren Christopher  
for Cy Vance  
Pat Harris  
Bert Lance  
Ray Marshall  
Charlie Schultze

Neither Bob Strauss nor Alan Wolff will be in town. Jim Schlesinger is testifying on the Hill but may send a deputy.

Stu Eizenstat, Jack Watson, a representative from the Vice President's office and I also plan to be present. Please let us know who else from Treasury will be there.

CC: The President ✓  
The Vice President

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MEMORANDUM

~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

9

MEMORANDUM TO PRESIDENT CARTER

STRICTLY CONFIDENTIAL

FROM: HAMILTON JORDAN *HJ.*

DATE: AUGUST 5, 1977

SUBJECT: PANAMA CANAL ANNOUNCEMENT CHECKLIST

Day 1 - (Possibly Monday or Tuesday). President receives conceptual agreement memorandum from negotiators. Probable news leaks from Panama on agreement terms.

-- President and Vice-President call Congressional leadership to discuss terms of conceptual agreement, and to inform them of probable announcement that conceptual agreement has been received.

<u>Calls to:</u>	<u>By President</u>	<u>By V.P.</u>	<u>Other</u>
Byrd	_____	_____	_____
Baker	_____	_____	_____
O'Neill	_____	_____	_____
Rhodes	_____	_____	_____
Wright	_____	_____	_____
Cranston	_____	_____	_____
Goldwater	_____	_____	_____
Humphrey	_____	_____	_____
Stevenson	_____	_____	_____
Sparkman	_____	_____	_____
Gerald Ford	_____	_____	_____
Henry Kissinger	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

State Department Congressional Relations will prepare memo with positions of each member to be called.

~~CONFIDENTIAL~~

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"DETERMINED TO BE AN ADMINISTRATIVE MARKING  
CANCELLED PER E.O. 12958, SEC. 1.3 AND  
ARCHIVIST'S MEMO OF MARCH 16, 1983"

~~CONFIDENTIAL~~

2

STRICTLY CONFIDENTIAL

- Powell, Pastor give background briefing to the members of press on status of negotiations, announcement schedule, basic terms. The briefing will be held to insure that news stories from Panama do not give unbalanced or incomplete versions of the treaty terms.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

- President sends telegram to all members of Congress. Jordan will prepare text, State will send. (Draft telegram attached.)

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

- State Department mails to all members of Congress summary of conceptual document, JCS responses, questions and answers.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

- Linowitz and Bunker call core members of Citizens Group to explain terms and invite them to meet with the President the following week.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

Day 2. (Or when President returns from Plains).

- President meets with NSC to discuss agreement terms.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

Day 3.

- Briefing of full Cabinet by Linowitz and Bunker, followed by public announcement by President in Briefing Room of the date and place of the signing ceremony.

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

- Comments by supporting Congressional Leaders and public figures.

~~CONFIDENTIAL~~



~~CONFIDENTIAL~~

3

STRICTLY CONFIDENTIAL

Day 4 and Following.

- Appearances on morning talk shows and weekend news programs by Bunker and Linowitz.
- Meeting of President with Henry Kissinger, Henry Ford II, Maxwell Taylor, Jay Rockefeller, Dean Rusk and George Meany (names recommended by Linowitz and Bunker) to form Panama Canal Citizens Committee. Separate memo to be prepared by Joe Aragon.

APPROVED \_\_\_\_\_

DISAPPROVED \_\_\_\_\_

- Signing Ceremony. Option paper to be prepared by Bob Pastor.

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

Draft Telegram to All Senators and Congressmen:

Panama Canal Negotiations

Negotiations for a a new Panama Canal Treaty may conclude very soon. I believe we will achieve much more than has been expected. I expect to be able to announce an agreement in principle shortly, and then I will personally review the entire treaty before it is signed to assure that our legitimate national security interest are met.

I hope you can support the treaty. In any case, I urge you to reserve judgment until you have had an opportunity to read the treaty, discuss it with our negotiators, and examine it in great detail. Once you have, I believe you will agree with me that the treaty will provide the best defense for the Canal and will lead to improved relations with Panama and all of Latin America and the Caribbean.

DETERMINED TO BE AN ADMINISTRATIVE  
CONTROLLED PER E.O. 12356, SEC. 1.3 AND  
ARCHIVIST'S MEMO OF MARCH 16, 1983"

Jimmy Carter

DRAFT - STRICTLY ~~CONFIDENTIAL~~

~~CONFIDENTIAL~~